Assam Government has not been able to pay their employees salaries for months together;

(b) whether it is also a fact that as a result of agitation by the employees against non-payment of their salaries, the Administration has totally collapsed resulting into law and order problem; and

(c) whether Government propose to declare financial emergency in Assam and extend suitable financial help to it to overcome its financial difficulties?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) The State of Assam is passing through acute financial crisis for last several years. They are frequently running into overdraft and their payments are being suspended by the RBI in accordance with the existing overdraft policy. As reported by the State Government, there was no problem for payment of salary except for payment of salary of October, 1999 in November, 1999 which could be paid only on 12.11.1999.

(b) No, Sir.

(c) There is no proposal to declare financial emergency in Assam. Financial assistance is extended to the State Government by advancing their entitlements, providing Ways and Means, Advances if needed, and at times postponing recoveries of the State's dues payable to Ministry of Finance.

Branches of Banks in Vikaspuri and Chandni Chowk

2077. SHRI DILIP SINGH JUDEV: Will the Minister of FINANCE be pleased to state:

(a) what are the criteria for opening of new branches by the public sector banks;

(b) what are the new branches proposed to be opened by the various Nationalised Banks in Vikaspuri and Chandni Chowk during next year; and

(c) in how many cases the license for opening of branches has been granted and in how many such cases the banks have not opened

the branches in Vikaspuri and Chandni Chowk as per the licenses, bank-wise?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) Under the Extant Branch Licensing Policy, the decision for opening a bank branch at a particular centre has been left to the discretion of the banks themselves subject to obtaining prior licence from Reserve Bank of India. The banks take action in the matter after assessing the established need for banking vis-a-vis the financial viability of the proposed branch.

(b) and (c) As per the information available with Reserve Bank of India (RBI), one nationalised bank has been issued authorization for opening of a branch at Vikaspuri, while a private sector bank has been issued authorization for Chandni Chowk and Vikaspuri. The banks are likely to open their branches on completion of infrastructural arrangements etc.

Diversion of funds reserved for development of backward classes

2078. SHRI SATISHCHANDRA SITARAM PRADHAN: Will the Minister of FINANCE be pleased to state:

(a) whether the Central Government have diverted some reserve funds, (reserve for the development of backward classes) to elsewhere; and

(b) if so, the details thereof and the reason therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) There is no reserve fund for development of backward classes. Hence, the question of diversion does not arise.

Import of outdated second-hand Machinery

2079. MISS MABEL REBELLO: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that a lot of outdated secondhand machinery has been imported in the country, particularly printing technology, textiles, steel and the like;